GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:684
ANSWERED ON:16.08.2007
LOSSES TO OIL PSUS
Reddy Shri Mekapati Rajamohan;Singh Shri Chandra Bhushan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Public Sector Oil Companies are likely to incur a loss of Rs. 50,000 crore in the current fiscal year on selling fuel below cost;

(b) the loss being incurred by IOC per day at present price level on the sale of petrol, diesel, LPG and Kerosene;

(c) whether public sector oil companies have asked the Government to allow them enhance price on all petroleum products; and

(d) if so, the decision taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a): The estimated gross under recoveries of Public Sector Oil Marketing Companies on sale of sensitive petroleum products, i.e. petrol, diesel, PDS Kerosene and domestic LPG for the 1st quarter of 2007-08 are given as under:

Rs./Crore Under-Recovery	Apr-Jan`07(Prov)
Petrol	1,553
Diesel	4,633
PDS Kerosene	4,028
Domestic LPG	2,698
Total	12,912

Gross under-recoveries without considering refinery discount, oil bonds and upstream assistance.

Based on the above, the gross under recoveries of Public sector oil marketing companies may be estimated to be more than Rs. 50,000 crores in the current fiscal year.

(b): IOC has informed that the loss being incurred by IOC per day at present level on the sale of petrol, diesel, PDS Kerosene and domestic LPG is as under:

(Rs./ Crores) Product	Under realization per day net of Govt. subsidy
Petrol	6.64
Diesel	40.12
PDS Kerosene	30.55
Domestic LPG	15.90

(c)&(d): The Public Sector Oil Marketing Companies (OMCs) have sought another revision in the prices of sensitive petroleum products. Government has been taking all possible measures to ensure that there is no hardship to common man on account of price rise. Government has adopted the principle of equitable burden sharing amongst three stakeholders, namely, the consumers, the PSU oil companies and the Government to protect the interest of the common man and the vulnerable sections of society. The Government is closely monitoring the international oil prices and will continue to protect the interests of consumers.